



## Higher Blends Infrastructure Incentive Program (HBIIP)

*Environmental Review Process for Applicants*

September 13, 2022

*HBIP Environmental Review  
Process for Applicants*

Jeff Carpenter  
Brian Sutherland  
Peggy Wade



# Housekeeping

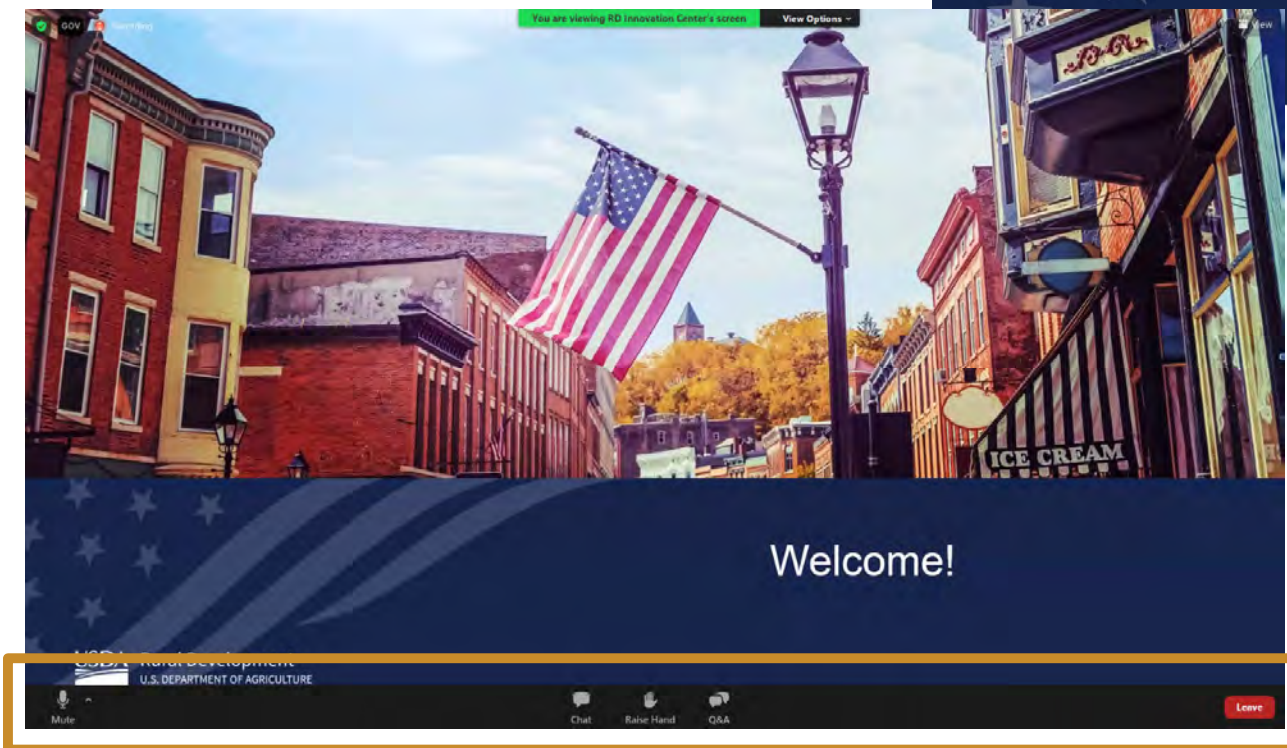
**1 Mute**  
Attendees are in listen-only mode unless unmuted by my host

**2 Chat**  
Attachments and messages from panelists will show here

**3 Raise Hand**  
To be unmuted and provide verbal comments during the Q&A session, raise your hand

**4 Q&A**  
Submit your questions to the presenters and panelists here

**5 Leave**  
You may exit the event here



1

2

3

4

5

# Agenda

## Higher Blends Infrastructure Incentive Program (HBIIP)

1. Program Timeline
2. Preliminary Environmental Information Survey Submission
3. Simplified approach to meeting Environmental Review requirements
  - a) Applicant/application requirements
  - b) REC and SEC activities
  - c) National Office responsibilities
4. Environmental Reviews

# Program Timeline

## **August 2022**

- HBIIIP Application Window Opens, 8/23/22, for 90 days. HBIIIP Online Application System Live!

## **November 2022**

- HBIIIP Application Window Closes, 11/21/22, 4:30pm Eastern; HBIIIP applications no longer accepted thereafter.

## **November 2022 – February 2023 (or sooner)**

- Agency Reviews for Eligibility and Completeness
- Evaluation Panel and Competition

## **March 2023 (or sooner)**

- Selection, Written Communication to All Participants
- Public Announcement of Obligations
- Grant Agreements/Contracts Execution
- Project Executions

# Applicant Actions

## **While waiting for Unique Entity Identifier (UEI):**

1. Send email with prepared/signed *Preliminary Environmental Information Survey* (with required supporting information) to [HigherBlendsGrants-access@usda.gov](mailto:HigherBlendsGrants-access@usda.gov);
2. Receive email acknowledgement from HBIIP inbox;

## **While in the HBIIP online application system:**

3. Upload copy of HBIIP acknowledgement in, "Attachments -- Environmental Review Documents"

To apply for the Higher Blends Grant program, please review the online application checklist below to determine the important documents you will need. You must also submit your completed [HBIIIP Online Access Request](#) to [HigherBlendsGrants-access@usda.gov](mailto:HigherBlendsGrants-access@usda.gov) to gain access to the online application system.

## Important Documents



### Accessing Forms

If you are using Google Chrome, your browser settings may require you to first download the form and then open the form.

- [Checklist for Online Application System](#)
- [USDA eAuthentication](#)
- [HBIIIP Online Access Request](#)
- [HBIIIP Online Grant Application Instruction Guide](#)
  - [Single Point of Contact List for Executive Order 12372 requirements](#) (sec: 7.3.1.)
  - [Dispensers and Fueling Equipment Reference Guide](#) (sec: 7.5.6. and 7.5.7.)
  - [HBIIIP Project Technical Report Guide](#) (sec: 7.8)
    - [Sample HBIIIP Project Technical Report](#)
  - [Environmental Review Documents Guide](#) (sec: 7.8)
  - [Preliminary Environmental Information Survey](#) (sec: 7.8.)
  - [Matching Funds Verification/Certification Guide](#) (sec: 7.7.2 and 7.8)
  - [SF 424D Assurances - Construction Programs](#) (sec: 7.8)
    - [SF 424D - Assurances - Construction Programs Instructions](#) (sec: 7.8.)

**U.S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT**

**PRELIMINARY ENVIRONMENTAL INFORMATION SURVEY**

The purpose of this document is to assist RD staff in collecting adequate information to determine what level of environmental review is necessary. Depending on the information provided, the Agency may request additional information. All answers need to be supported by appropriate documentation, check marks are not sufficient support. Potentially helpful links are provided in blue, these are not an exhaustive or comprehensive list of resources.

Yes

No

**1. APPLICANT NAME:**

**2. ADDRESS: Physical location of the property (include legal description if farmland):**

**3. MAP. Please provide an aerial map showing the building /lot/exact location for all project types, please indicate on map any potential trenching or other ground disturbance. Is map attached?**

**4. DETAILED PROJECT DESCRIPTION (Describe how proposed funds will be used. If project involves construction, whether interior or exterior or renovations, please describe in detail. For renewable energy systems such as solar panels be specific on type of system (fixed tilt, tracking, mounting & structure, i.e. ballasted, 3" pile driven, concrete, screws, etc.):**

**5. SIZE OF THE PROJECT & SITE: Please indicate the size (acres) of your project and how the project will impact the site including roads, right of ways, utilities, or other impacts. Example: Renewable energy solar project should include sq. ft, linear ft, number of installed units/panels/buildings, and details regarding any trenching or ground disturbance to be completed.**

**6. Will the project involve construction without any ground disturbance? (i.e. roof mounted solar)**

**6a. If no ground disturbance, please provide land use, land ownership, & description (i.e. industrial, residential, wooded, grasslands, etc.).**

**6b. If ground disturbance is expected, provide descriptive info, including if the project site was previously disturbed (i.e. previous structure, excavation, cultivation).**



## Environmental Review Documents for Extra Fancy Fuels, LLC



Carpenter, Jeffrey M. - RD, State Office

To SM.RD.DCWA2.HigherBlendsGrants

Retention Policy [USDA 7 Year Permanently Delete \(7 years\)](#)

Expires 9/1/2029

Reply Reply All Forward

Sat 9/3/2022 2:42 PM



Preliminary Environmental Information Survey Checklist\_508.pdf  
939 KB

Attached is the preliminary environmental information survey for my location applying for the Higher Blends Infrastructure Incentive Program (HBIIIP). Please let me know if there are any questions or if you need additional information.

Thank you.

Jeff Carpenter

RE: Environmental Review Documents for Extra Fancy Fuels, LLC



SM.RD.DCWA2.HigherBlendsGrants  
To Carpenter, Jeffrey M. - RD, State Office

Retention Policy USDA 7 Year Permanently Delete (7 years)

Expires 9/1/2029

Reply Reply All Forward

Sat 9/3/2022 2:45 PM

I acknowledge receipt of your environmental review information. Please upload this email into the HBIIIP Online Application System as evidence of submission.

Jeff Carpenter  
Business Loan and Grant Analyst  
Higher Blends Infrastructure Incentive Program (HBIIIP) Manager  
Rural Development  
United States Department of Agriculture  
Phone: (402) 318-8195  
[www.rd.usda.gov](http://www.rd.usda.gov)

"Together, America Prospers"

USDA is an equal opportunity provider, employer and lender

HOME

Company Information   Application Information   Project Information   Stations   Financial Information   **Attachments**   Application Overview

- > Signed SF 424 D Certification
- > Signed Matching Funds Certification
- > Loan Delinquency
- > Technical Report
- > Fuel Distribution Facility Feasibility/Business Plan

∨ Environmental Review Documents

Attach only PDF(no more than 5 MB).  
Attachment

 Upload Files   Or drop files



TITLE	FILE TYPE	CREATED BY	SIZE(BYTES)	ATTACHMENT TYPE
-------	-----------	------------	-------------	-----------------

- > Supporting Documents

- > Signed SF 424 D Certification
- > Signed Matching Funds Certification
- > Loan Delinquency
- > Technical Report
- > Fuel Distribution Facility Feasibility/Business Plan

Environmental Review Documents



Attach only PDF (no more than 5 MB)

Attachment

Upload Files Or drag files

TITLE	FILE TYPE	CREATED	ATTACHMENT TYPE
> Supporting Documents			

### UPLOAD FILES

 Environmental_Review_Docum...	<div><div style="width: 100%;"></div></div>	
116 KB		

1 of 1 file uploaded

Done

# RD HBIIP Activities

1. HBIIP Manager **receives** *Preliminary Environmental Information Survey* (with required supporting information) from HBIIP Applicant; HBIIP Manager **acknowledges** receipt of *Preliminary Environmental Information Survey* with email response to applicant.
2. HBIIP Manager sends *Preliminary Environmental Information Survey* (with required supporting information) to the Energy Coordinator (EC) in the state the project is in, who will work with the State Environmental Coordinator (SEC) as necessary, to determine the likely level of review.
3. If additional information is needed or if an Environmental Report/Assessment is required, the EC/SEC will communicate with the applicant and keep the HBIIP Manager apprised.

# RD HBIIP Activities (continues)

4. The EC will prepare the USDA Rural Development Environmental Checklist (1970 B Exhibit C or 1970-1) with supporting documents, and SEC signs when applicable.
5. EC emails the completed 1970-1 and supporting documentation to HBIIP Manager.
6. The RBCS Administrator's Office signs as the approval official, which completes the environmental review requirements. A digital copy of the fully executed Environmental Checklist and supporting documents will be stored in the applicant's permanent file.
7. HBIIP Manager provides email notification of the completion of the environmental review to the applicant, with a courtesy copy to the EC and SEC.

# Categorical Exclusion (Cat Ex) without Environmental Report

1. Applicant actions remain the same;
2. State/National Office coordinate until any required consultations (SHPO, THPO, etc.) are completed;
3. National Office signs 1970-1;
4. Applicant, EC/SEC notified that environmental review requirements are complete.
5. If Selected, Letter of Conditions is issued, and funding is obligated once required documents are returned.

# Categorical Exclusion (Cat Ex) with Environmental Report

1. Applicant actions remain the same;
2. Applicant/State/National Office coordinate until report with necessary consultation (SHPO, THPO, etc.) is completed;
3. National Office signs 1970-1;
4. Applicant, EC/SEC notified that environmental review requirements are complete.
5. If Selected, Letter of Conditions is issued, and funding is obligated once required documents are returned.



# Environmental Assessments

1. Applicant actions remain the same;
2. Applicant/State/National Office continue in coordination until required consultations are completed, EA is accepted, and public comment phase is completed;
3. National Office signs Finding of No Significant Impact (FONSI) and FONSI is published;
4. Applicant, EC/SEC notified that environmental review requirements are complete.
5. If Selected, Letter of Conditions is issued, and funding is obligated once required documents are returned.

# Questions



# Environmental

HBIIP and NEPA

Overview of NEPA Requirements

Extraordinary Circumstances

Timing Concerns

# Environmental

## NEPA in a Nutshell

- Applies to all Federal actions, including direct loans, guaranteed loans and grants.
- All Federal agencies are required to promulgate environmental rules in compliance with NEPA.
- RD Environmental Policy and Procedures: 7 CFR 1970.

# Environmental Levels

## Levels of NEPA Classification

- Categorical Exclusions (CE) or (Cat. Ex)
- Environmental Assessments (EA)/Finding of No Significant Impact (FONSI)
- Environmental Impact Statement (EIS)/Record of Decision (ROD)

# Environmental Levels, What to Expect

## What to Expect

- **Tanks** – Replacement of existing tank in same location with no new ground disturbance – Categorical Exclusion without report (likely); New tank or tank in new location with ground disturbance – Categorical Exclusion with report (likely).

*\*Please remember HBIIP is not supporting tank installations at new construction sites.*

- **Dispenser Only** – Categorical Exclusion without report (likely).
- **New construction** – likely much more extensive, even considering HBIIP is not supporting tanks in new construction.

### California specific

- **Install E85 Dispensers for California Low Carbon Fuel Standard requirements and tanks (only). No E15 dispensers will be supported.**
- **CEQA** – Only applicable if City or County require it. Not likely in most cases.

# Environmental Determination of Classification

## Determination of Classification

RD staff determines, based on project description, the appropriate classification

- Usually the State Environmental Coordinator (or may be the REC for HBIP projects)

Most of the HBIP projects will likely be classified as a 1970.53 Categorical Exclusion or 1970.54 Categorical Exclusion with Report

All Categorical Exclusions must undergo a review for Extraordinary Circumstances

# Environmental

## Likely CEs for HBIIP Projects

*7 CFR 1970.53(c)(2): Repair, upgrade, or replacement of equipment in existing structures for such purposes as improving habitability, energy efficiency (including heat rate efficiency), replacement or conversion to enable use of renewable fuels, pollution prevention, or pollution control.*

- Covers projects where existing tanks/piping/pumps, etc., are being replaced or modified to allow for a higher ethanol content fuels.
  - No Environmental Report required but additional documentation may be needed.
  - SEC and Program can advise applicants on specific requirements.
  - Can be signed by project approval official; SEC signature not required.



# Environmental

## Likely CEs for HBIIP Projects, continued

*7 CFR 1970.54(c)13: Modifications or enhancements to existing facilities or structures that would not substantially change the footprint or function of the facility or structure and that are undertaken for the purpose of improving energy efficiency (including heat rate efficiency), promoting pollution prevention or control, safety, reliability, or security. This includes, but is not limited to, retrofitting existing facilities to produce biofuels and replacing fossil fuels used to produce heat or power in biorefineries with renewable biomass. This also includes installation of fuel blender pumps and associated changes within an existing fuel facility.*

Covers new installation of tanks to accommodate a higher blend fuel.  
Requires Environmental Report.  
RD has an Applicant Guide for Preparing Environmental Reports (1970 Subpart B Exhibit C).  
Must be signed by the SEC.

# Environmental Extraordinary Circumstances

## Extraordinary Circumstances

- Listed in 7 CFR 1970.52
- Impact to a listed resource may elevate level of NEPA review to an Environmental Assessment.
- All projects are subject to an extraordinary circumstance review.

# Environmental Extraordinary Circumstances

## Extraordinary Circumstances, continued

### Three to watch out for:

- Impact to historic properties
- Impact to threatened and endangered species
- Violations of permit conditions

- But any could be invoked, so document all of them!
- Even CEs issued under 1970.53 might need additional documentation.
- CEs issued under 1970.54 will include this documentation in the ER.

# Environmental CE Documentation

## CE Documentation

- 1970 B Exhibit C (1970-1) documents that RD has done an extraordinary circumstance review.
  - This is our NEPA decision document and must be included in the environmental file, with supporting documentation, for all HBIIP projects.
  - This is an INTERNAL form and may not be shared outside of RD.
  - Program can sign 1970-1 for CEs listed under 1970.53.
  - SEC signs 1970-1 for CEs issued under 1970.54.
-

# Environmental Intergovernmental Review

## Timing Issue: Intergovernmental Review

Executive Orders 12372/12416 require intergovernmental review of Federal projects.

Some states have semi-automated Single Point of Contact (SPOC) systems.

- Regulatory review period is up to 60 days.

In non-SPOC states, SEC can determine stakeholders with interest in the project.

- Every state will be different.

SPOC list can be found here: [https://www.whitehouse.gov/wp-content/uploads/2020/01/spoc\\_1\\_16\\_2020.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/01/spoc_1_16_2020.pdf)

# Environmental Historic Properties

## Timing Issue: Historic Properties

- Extraordinary Circumstance: Adverse Effect on Historic Properties
  - Can be buildings, traditional cultural properties or archeological deposits

- Potential adverse impact requires coordination with State Historic Preservation Officers and Tribes per Section 106 of the National Historic Preservation Act.
  - Any ground disturbance has the potential to impact archeological deposits.

# Environmental Historic Properties

## Historic Properties, continued

- RD may not advance a project until 106 consultation is complete, unless the Nationwide Programmatic Agreement is invoked
  - Limited to when all other NEPA requirements have been met;
  - Limited to when driven by financial deadlines;
  - Allows obligation of funds pending 106 completion;
  - Funds may not be released to applicant until 106 is complete;
  - Construction may not begin until 106 is complete.

# Environmental Contacts

- RD SECs will be the primary resource.
- Peggy Wade and Brian Sutherland RD NO will assist and advise SECs.
  - Peggy: Midwest (orange) and Southern (yellow) states.
  - Brian: Northeast (red) and Western (blue) states.





# Questions



# Wrap up

## Contacts/Links

**Jeff Carpenter**  
Program Manager

Jeff.Carpernter@usda.gov

**Brian Sutherland, Senior Environmental Specialist and Engineer**  
Program Support Staff

Brian.Sutherland@usda.gov

**Peggy Wade, Senior Environmental Specialist**  
Program Support Staff

Peggy.Wade@usda.gov

Program Website

<https://www.rd.usda.gov/programs-services/higher-blends-infrastructure-incentive-program>

*Thank you!*

Jeff Carpenter  
Brian Sutherland  
Peggy Wade



